

March 23, 2023

Senate Committee on Judiciary
900 Court St NE
Salem, OR 97301

Senator Prozanski and Members of the Committee:

Good afternoon. For the record, I am Terry Meehan, Senior Associate General Counsel for Oregon State University. I am here to testify in support of SB 355 on behalf of all the public universities. SB 355 with the -1 amendments represent an appropriate process for transparency for our institutions' use of outside counsel.

As one might expect, the use of outside counsel varies significantly across the different types and sizes of our institutions. Outside counsel needs depend on the proactive initiatives undertaken by each institution pursuant to their different missions and opportunities, as well as defense needs that arise from the different nature and volume of claims that may be brought against each institution. There are primarily four reasons that our universities engage outside counsel. The most common is where the area of expertise sought is highly specialized and where it is inefficient or infeasible to build that specialized expertise in-house. Examples of this include patent and other intellectual property registrations, FCC advice for radio stations, acquiring FDA approval of pharmaceuticals, devices and COVID-testing facilities, international operations, and immigration matters. Litigation matters also take more time, resources and attorneys than is typically feasible to handle in-house, especially because litigation cycles are unpredictable. Universities also engage outside counsel for matters in which it is advisable or required to have an independent review or opinion. Finally, there are times that outside counsel is engaged because the work and needed timelines surpass the capacity of our offices.

When retaining and using outside counsel, we take measures to assure that the institution is receiving good value for those services. Outside counsel are selected with care, considering their expertise and its relative value. We commonly negotiate discounted rates for our institutions. We routinely monitor invoices received from outside counsel, and demand reductions when appropriate. Further, we endeavor to retain outside counsel based in Oregon whenever doing so enables the institutions to obtain the best value and expertise.

For background, the underlying law originated in 2021 with the introduction and adoption of [HB 2214](#) (2021 Regular Session). The bill established the requirement that universities submit annual reports to the Attorney General documenting specific parameters of how and when we use outside counsel to supplement our legal work. The bill also created the requirement that the Attorney General analyze those reports and submit a separate report to the Legislature.

The -1 amendments simplify the process and better meets the public policy goal of making this information publicly available. The amendments require each of the public universities to report on their use of outside counsel annually and make the report available on our websites, while retaining the important exception for confidential or privileged matters.

Most of our universities already provide this information in our annual reports and we welcome this legislation to standardize the process. For example, [see pages 8-11 of University of Oregon's Office of the General Counsel 2022 Annual Report](#) and [pages 4-12 of the Oregon State University Office of General Counsel Annual Report FY2022](#).

Thank you again to Senator Prozanski for introducing this bill and we urge the committee to pass the bill with amendments.

Thank you.

